

**United States Department of the Treasury,  
Departmental Offices (DO)**



**Lapse of Appropriations Plan**

**For Public Release**

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# **1 Background**

This plan is prepared for the possibility of a lapse in appropriations that would necessitate a significant reduction in DO operations.

Prior to a potential lapse in funding, the Office of Management and Budget (OMB) requires the Department to submit a plan for agency operations in the absence of appropriations. The plan can be modified with additional guidance from the Office of Personnel Management and OMB, as the situation develops.

## **2 Authority**

The Anti-Deficiency Act restricts the conduct of business by agencies during a lapse of appropriations. The Act generally prohibits agency heads and their employees from:

- Making or authorizing expenditures or obligations in excess of appropriations;
- Making or authorizing expenditures or obligations of funds required to be sequestered under Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985; and
- Accepting voluntary services for the United States or employing others to perform personal services in excess of that authorized by law, except in cases of emergency involving the safety of human life or the protection of property.

Certain DO functions may continue even in the absence of an annual appropriations or continuing resolution. The principal guidance on the types of functions that may be continue in this scenario is found in the Attorney General's opinion dated January 16, 1981, as updated by the Office of Legal Counsel in an August 16, 1995 Memorandum. Those opinions authorize continuation of agency functions which satisfy any of the following criteria (referred to as "excepted" functions):

- Those that have a continuing source of funding;
- Those that are expressly authorized by Congress to continue even without funding;
- Those for which authority to obligate funds can be necessarily implied by statute;
- Those that are necessary to ensure the safety of human life or the protection of property;
- Those that are necessary for the discharge of the President's constitutional duties; and
- Activities necessary for a short period in order to ensure an orderly shutdown of operations.

## OMB Circular A-11 Summary of Impacts for Departmental Offices

1. Estimated time to complete shutdown of non-excepted activities	Not in excess of a half day
2. Number of employees expected to be on board prior to implementation of shutdown plan	1,999
3. Total number of excepted employees	708*
4. Breakdown of excepted employees by exception category:	
a. Funded by other than 2011 appropriated funds;	511
b. Expressly authorized to continue without funding;	0
c. Authorized by necessary implication;	80
d. Necessary for safety and protection of property; and	97
e. Discharge of President's constitutional duties.	40

*\*Note: This number represents the total excepted positions. The sum of Excepted Category Totals is greater than the number of excepted positions because some positions qualify for multiple exceptions.*

### 2.1.1 Funding Lapse Implementation

To the extent possible, advance written notice of furlough will be issued to affected employees no less than seven calendar days before the proposed furlough start date. Additional notice will be provided whenever possible. In unforeseen emergency situations (e.g., an immediate and unexpected loss of agency funding), the agency may issue furlough notices and place employees in furlough status during the notice period.

- The notice will identify a projected date or event that is expected to trigger an end to the furlough period.
- Furlough notices will be issued for a single event expected to last up to a maximum of six months. If the furlough situation extends beyond six months, a new furlough notice must be issued prior to the end of the initial six month period. Regardless of the time period involved, once the initial furlough is terminated and employees are returned to work, any future event that creates the need for another furlough will require issuance of a new notice to affected employees.

The applicable Contracting Officer will issue Stop Work Orders on all DO issued contracts other than for excepted services. For the excepted services performed under contract, assigned Contract Officer Technical Representatives (COTRs) will identify the portion of the contract covered by the exception and in collaboration with the Contracting Officer provide technical direction to the contractor for any required continued performance.

### **2.1.2 Reactivation of Functions**

- Upon notification that employees may return to duty, the DO Treasury Operations Center Hotline at 877-436-5866 will be updated and office phone lists will be activated.
- Employees will report back to work at their regularly scheduled time.
- A return to duty notice will be issued shortly thereafter.

## Excepted Positions by DO Office

Departmental Office	Funded by other than 2011 appropriated funds	Expressly authorized to continue without funding	Authorize by necessary implication	Necessary for safety and protection of property	Discharge of President's constitutional duties (Includes PAS)	Necessary for the conduct of shutdown procedures	Total number of excepted positions
Office of the Secretary	1		12		2		14
Domestic Finance	400		16	3	3		421
International Affairs	30			30	4		64
TFI	29		17	35	12		76
Economic Policy					2		2
Tax Policy			9		1		10
Treasurer					2		2
Legislative Affairs			2		1		3
Public Affairs			2				2
General Counsel	19		3	3	4		29
ASM/CFO	32		19	26	9		85
							<b>708*</b>
Excepted Category Totals	511	0	80	97	40	0	

*\*Note: This number represents the total excepted positions. The sum of Excepted Category Totals is greater than the number of excepted positions because some positions qualify for multiple exceptions.*

## ***2.2 Individual Departmental Offices Funding Lapse Plans***

### **2.2.1 Office of the Secretary**

#### **2.2.1.1 Continuing Functions**

The Departmental Office can continue the following critical functions either in full or with manageable impacts to functional performance with the personnel and capabilities identified as excepted in this Plan:

- To compile and synthesize policy recommendations from within the Treasury Department and from the Federal Reserve and other economic advisors in order to give policy options to the President.
- To coordinate and communicate with critical foreign and domestic economic leaders.
- To provide market and economic updates to the President.
- To coordinate and oversee excepted functions throughout the Department of the Treasury

#### **2.2.1.2 Discontinued Functions**

The Departmental Office will discontinue the following functions based on the resource limitations during a Funding Lapse:

- Oversight and policy direction of non-excepted functions
- Other routine functions

## **2.2.2 Domestic Finance**

### **2.2.2.1 Continuing Functions**

The Departmental Office can continue the following critical functions either in full or with manageable impacts to functional performance with the personnel and capabilities identified as excepted in this Plan:

- Continue Treasury payment/collection programs to meet Government's obligations
- Manage the Government's cash position
- Take action to address the known disruptions in the financial community to ensure financial systems safely, soundness and liquidity in the financial system and to maintain confidence in the financial system.
- Continue Treasury borrowing/debt programs to meet the Government's financial obligations and avoid, or minimize, disruptions to Treasury's financing schedule.
- Continue to make publicly available official Treasury interest rates.
- Draft certification of terrorist act, in conjunction with Secretary of State and Attorney General, and implement procedures under Terrorism Risk Insurance Act (TRIA).
- All Critical Infrastructure Protection (CIP) functions will continue to operate
- Continue the State Small Business Credit Initiative program operations to fund state programs that promote lending and investment in small businesses
- Continue all Small Business Lending Fund Operations
- Financial Stability Oversight Council (FSOC) work will continue
- Office of Federal Research (OFR) will continue to support FSOC in evaluating risks to the U.S. Financial System
- Minimal accounting functions to prevent the cessation of government wide financial reporting
- CFPB Implementation Team will continue to work to stand up CFPB so that it can fully implement its statutory responsibilities on the designated transfer date of July 21, 2011.

### **2.2.2.2 Discontinued Functions**

The Departmental Office will discontinue the following functions based on the resource limitations during a shutdown:

- Work on the TDMS Advanced Modeling Component which will optimize both short- and long-term debt issuance strategies will halt with in the office of Debt Management
- Work on Daily Rates Market Analysis and outreach to critical Treasury investors with in the Office of Debt Management
- New Product Development (FRNs, etc) by the Office of Debt Management
- Reduction in the Office of Debt Management's ability to deal with policy/financial market topics i.e. debt limit and quarterly refunding
- Addressing disruptions in financial markets, including market emergencies (where the SEC must consult with the White House, and the White House turns to Treasury for a



recommendation), declines in the stock market, liquidity pressures, counterparty and credit events, etc.

- Assessing at the early stages developments, proposals, rules, and legislation that could affect financial markets to ensure that they are in the Administration's and public interest and that they can be modified if they are not.
- The CDFI Fund will discontinue activities related to the following award programs: the CDFI Program; the Native American CDFI Assistance (NACA) Program; the Bank Enterprise Award (BEA) Program; the New Markets Tax Credit (NMTC) Program; the Capital Magnet Fund; the Financial Education and Counseling (FEC) Pilot Program; the Bond Guarantee Program. Such activities include, but are not limited to: allocation and assistance agreements; award disbursement; compliance and monitoring; FY 2011 funding round application reviews; CDFI and CDE certification.
- The CDFI Fund will discontinue all activities related to: financial strategies and research; information technology; training, outreach and capacity building; contracting and procurement; responses to Freedom of Information Act requests; pending program and policy initiatives such as (but not limited to) the Bank on USA initiative, the Healthy Foods Financing Initiative, the Cities in Transition initiative, and others.
- Provide policy positions on proposed legislative changes to Federal programs included in spending bills or related bills and act in order to minimize Federal exposure to loss.
- Negotiations with certain Indian tribes and Federal agencies on the terms and conditions of existing or new borrowing or investment agreements with Treasury.
- Provide quantitative research to support domestic financial policy making at Treasury
- 1602 Low Income Housing Grant Program functions
- 1603 Energy Grant Program functions
- Fiscal Policy functions
- Resolution of audit findings on government wide reporting
- HFA support functions
- Office of Financial Innovation and Transformation functions
- With the exception of SSBCI and SBLF functions, the work of Small Business, Community Development and Affordable Housing Policy will not continue
- Work in the Federal Insurance Office
- Hiring activities for Domestic Finance
- Treasury's support of the President's Council on Jobs and Competitiveness The work of the Office of Financial Institutions Policy

## **2.2.3 International Affairs**

### **2.2.3.1 Continuing Functions**

The Departmental Office can continue the following critical functions either in full or with manageable impacts to functional performance with the personnel and capabilities identified as excepted in this Plan:

- Oversee operations of Exchange Stabilization Fund (ESF)
- Monitor international financial markets, maintain communication with other participants in those markets, and coordinate Treasury activity with respect to other participants, including the various G-groups, including support for US representation in G-group meetings
- Perform caretaker functions with respect to notices of foreign acquisitions of U.S. companies brought to the Committee on Foreign Investment in the United States (CFIUS)
- Coordinate U.S. activities with respect to international financial institutions, especially votes of U.S. executive directors on decisions by the boards of those institutions, and U.S. representation at major international meetings
- Technical assistance to foreign countries and governments
- Operational costs in support of overseas personnel that will furlough but remain in country
- Overseas Attaché work where directed by the Chief of Mission

### **2.2.3.2 Discontinued Functions**

The Departmental Office will discontinue comprehensive and full coverage of the following functions based on the resource limitations during a Funding Lapse:

- Treasury loan review
- Treasury MDB/IMF analysis and oversight
- Debt and Development policy development and analysis
- CFIUS processing
- Trade and Investment negotiations and analysis, except as excepted above
- Central and Southern Africa and Western Hemisphere analysis
- Europe, Middle East-North Africa, and Asia issues not covered by excepted personnel
- Environment and Energy Finance negotiations and analysis
- G-20 support and analysis, except as excepted above
- Analysis of global economic issues
- Macroeconomic rebalancing analysis
- Banking reform negotiation and analysis

## **2.2.4 Terrorism and Financial Intelligence (TFI)**

### **2.2.4.1 Continuing Functions**

The Departmental Offices can continue the following critical functions for Executive Orders and other critical directives either in full or with manageable impacts to functional performance with the personnel identified as excepted in this Plan:

- Monitor and disseminate critical intelligence reporting to Treasury leadership and other law enforcement, intelligence and military authorities; maintain essential communication connectivity with the intelligence community;
- Administration of the Specially Designated Nationals (SDN) list and enforcement of economic sanctions as directed by the Secretary;
- Implement new sanctions required by newly issued Executive Orders (EO) as directed by the Secretary;
- Develop and provide policy recommendations on select critical issues as directed by the Secretary;
- Participate in national security policy and intelligence forums as directed by the Secretary;
- Continue key regulatory and enforcement actions;
- Limited handling of incoming inquiries from the public and business community (Hotline calls);
- Limited Analytic support (Bank Secrecy Act data, intelligence information, and international financial intelligence unit information including Egmont Secure Web (ESW) case support) to federal law enforcement agencies;
- Use of Section 314 (a) of the Patriot Act;
- Limited communication with financial sector participants, to include finance ministries and central bank authorities of foreign states, regarding threats and emergent conditions as directed by the Secretary; and
- Limited IT Support.

### **2.2.4.2 Discontinued Functions**

The Departmental Offices will discontinue the following functions based on the resource limitations during a shutdown:

- Human Resources – Hiring, personnel action initiation and processing, training, remittance processing and reporting;
- Finance – Budget reporting, budget execution, procurement liaison activities, contract obligations;
- Call Center – Inbound and outbound telephone inquiries for all functions within OFAC. Calls would be routed to a message center for response upon return to work or could be picked up by dialing into the default telephone number accepting messages;
- IT Support – all IT projects would be interrupted, support for online subscriptions,
- New policy initiatives would be interrupted; the only support would be for emergencies;

- Compliance – all compliance initiatives would be interrupted, the only support would be for emergencies
- Records Management—paper file retrievals would not continue, inbound and outbound mail would be halted—shipments of files to offsite locations would be halted, scanning and indexing of inbound mail would not continue,
- Targeting – all sanctions targeting initiatives would be interrupted; the only support would be for emergencies;
- Most OFAC licensing activities would be interrupted;
- Financial Action Task Force (FATF) engagements will cease and will continue without U.S. involvement;
- No new, and limited follow-up on outstanding, actions under section 311 of the Patriot Act;
- No TFI engagement on CFIUS issues; and,
- No engagement in FATF Style Regional Bodies (FSRB), charitable outreach issues (including guidance to the private sector).

## **2.2.5 Economic Policy**

### **2.2.5.1 Continuing Functions**

The Departmental Office can continue the following critical functions either in full or with manageable impacts to functional performance with the personnel and capabilities identified as excepted in this Plan:

- Provide economic analysis used by senior government officials necessary to perform excepted functions.

### **2.2.5.2 Discontinued Functions**

The Departmental Office will discontinue the following functions based on the resource limitations during a Funding Lapse:

- Economic analysis unrelated to needs of senior government officials performing excepted functions.

## **2.2.6 Tax Policy**

### **2.2.6.1 Continuing Functions**

The Departmental Office can continue the following critical functions either in full or with manageable impacts to functional performance with the personnel and capabilities identified as excepted in this Plan:

- Develop and implement Federal tax policies and programs.
- Tax Policy will continue to work with the President and the Secretary to develop policies to get the government re-opened, which might include tax provisions.

### **2.2.6.2 Discontinued Functions**

The Departmental Office will discontinue the following functions based on the resource limitations during a Funding Lapse:

- Issuing or reviewing Regulatory Guidance (regulations, notices, etc)
- International Tax Treaty negotiations
- International organization participation (OECD, UN)
- Tax Analysis beyond immediate analysis of tax provisions needed to re-open government

## **2.2.7 Treasurer of the United States**

### **2.2.7.1 Continuing Functions**

The Departmental Office can continue the following critical functions either in full or with manageable impacts to functional performance with the personnel and capabilities identified as excepted in this Plan:

- Advise the Secretary on matters relating to coinage, currency and the production of other instruments by the United States.
- Has direct oversight over the U.S. Mint and Bureau of Engraving and Printing; both bureaus are not funded by annual appropriations.

### **2.2.7.2 Discontinued Functions**

The Departmental Office will discontinue the following functions based on the resource limitations during a Funding Lapse:

- Serve as a senior advisor and representative of the Treasury on behalf of the Secretary in the areas of community development and public engagement.

## **2.2.8 Legislative Affairs**

### **2.2.8.1 Continuing Functions**

The Departmental Office can continue the following critical functions either in full or with manageable impacts to functional performance with the personnel and capabilities identified as excepted in this Plan:

- Advise the Secretary on congressional relations matters in order to assist in the formulation of policy and determining the overall direction of the Department.
- Develops strategies to implement legislative initiatives, communicates Treasury's positions to the Congress, and keeps the Department informed of Congressional objectives, concerns, activities, and interests.
- Coordinates Departmental testimony before Congressional Committees.
- Advises the Department on Congressional concerns during policy formation.

### **2.2.8.2 Discontinued Functions**

The Departmental Office will discontinue the following functions based on the resource limitations during a Funding Lapse:

- Serve as the principal contact and coordinator for all Department interaction with the Congress and the Congressional Relations offices in the White House and other Departments and agencies.
- Respond to Congressional inquiries and facilitates replies from other offices in the Department.
- Monitors Congressional correspondence to ensure accurate and prompt response.



## **2.2.9 Public Affairs**

### **2.2.9.1 Continuing Functions**

The Departmental Office can continue the following critical functions either in full or with manageable impacts to functional performance with the personnel and capabilities identified as excepted in this Plan:

- Development and implementation of communications strategy for the Department.
- Provision of advice to officials within the Department and its bureaus how best to communicate issues and priorities of public interest related to excepted functions.
- Distribution of press releases and updating the website, necessary to support excepted functions
- Facilitating and executing interviews, press conferences with senior officials as necessary
- Responding to media inquiries

### **2.2.9.2 Discontinued Functions**

The Departmental Office will discontinue the following functions based on the resource limitations during a Funding Lapse:

- Clips distribution will not be as regular and thorough.

## **2.2.10 General Counsel**

### **2.2.10.1 Continuing Functions**

The Departmental Office can continue the following critical functions either in full or with manageable impacts to functional performance with the personnel and capabilities identified as excepted in this Plan:

- Provision of legal and policy advice to the Secretary and other excepted Departmental officials.

## **2.2.11 Assistant Secretary for Management (ASM) / Chief Financial Officer (CFO)**

### **2.2.11.1 Continuing Functions**

The Departmental Office can continue the following critical functions either in full or with manageable impacts to functional performance with the personnel and capabilities identified as excepted in this Plan:

- Information Technology management for excepted personnel
- Department-wide financial management
- DO Facilities management necessary to preserve property and support excepted functions
- Implement the Secretary's responsibilities under the Balanced Budget Act of 1997, Public Law 105-33 (111 Stat. 251), and to make timely and accurate Federal benefit payments associated with the District of Columbia Retirement Programs for police officers, firefighters, teachers and judges.
- Treasury-wide Emergency Management including emergency alerting, notifications, and reporting.
- DO Emergency Management, particularly, shelter-in-place & evacuation operations.
- Senior Official telephone services.
- DO human capital management necessary to support excepted functions
- Budget management.
- Contract Management
- Procurement

### **2.2.11.2 Discontinued Functions**

The Departmental Office will discontinue the following functions based on the resource limitations during a Funding Lapse:

- Mail (delivery and pick-up)
- Courier services
- Chauffeur and Motor Pool
- Building Maintenance and Janitorial
- Building to building delivery of supplies (paper)
- Food services (TDR/Vault/vending machines)
- Events/conference coordination and support
- Printing and graphics service
- Print procurement (Treasury-wide WCF-funded support for bonds/checks)
- Copier support
- Delivery coordination
- Health/safety inspections and remediation (unless related to a specific facility emergency)
- SHIMS workers comp system reporting/support
- Building Tours
- Parking coordination/problem resolution
- Privacy ,Treasury Records and FOIA Management